

May 13, 2003

Rick Olsen, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Re: Water Monitoring Amendment, Canyon Fuel Company, LLC, Soldier Canyon Mine,
C/007/018-AM03B, Outgoing File

Dear Mr. Olsen:

The above-referenced amendment is approved effective May 13, 2003. A stamped incorporated copy is enclosed for your copy of the Mining and Reclamation Plan. A copy of the Technical Analysis is also enclosed.

There were no deficiencies with the original submittal. That being the case, those federal agencies that received the amendment can simply incorporate it into their existing copy of the Mining and Reclamation Plan.

If you have any questions, please feel free to call me at (801) 538-5325.

Sincerely,

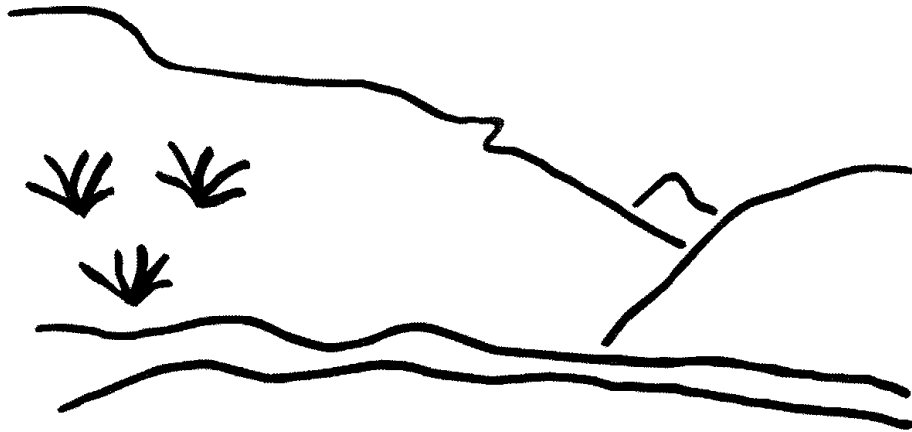
Daron R. Haddock
Permit Supervisor

an
Enclosure

cc Ranvir Singh, OSM
Jim Kohler, BLM
Mark Page, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, DWR w/o
Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Soldier Canyon Mine
Water Monitoring Change
C/007/018-AM03B
Technical Analysis
May 12, 2003

TECHNICAL ANALYSIS

The Division ensures compliance with the Surface Mining Control and Reclamation Act of 1977(SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings, which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference, which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.

INTRODUCTION

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Canyon Fuel Company submitted an amendment on April 4, 2003 to change some wording in Chapter 7 of the MRP and to make some changes to the water-monitoring plan.

Soldier Canyon will discontinue the monitoring of two wells: one that is blocked (6-1), and one that Dugout Canyon monitors (10-1).

Soldier Canyon will discontinue the monitoring of several sites that are not near any previously mined areas (5, 10, 23, 24, 32-1, and G-10). Soldier Canyon will resume the monitoring of those sites during the quarter production starts again.

Information found in the proposal is adequate to meet the minimum requirements of the regulations.

The Division should approve the amendment and incorporate it into the current MRP.

OPERATION PLAN

OPERATION PLAN

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

Analysis:

Groundwater Monitoring

Water levels in Well 6-1 were stable at a depth of approximately 425 feet below the collar between August 1991 and 1993. On June 3, 1994, the Permittee found the well dry and plugged at a depth of 470 feet. All monitoring since then has shown the same dry, plugged situation. Because this well is yielding no new information, Soldier Canyon will discontinue the monitoring of Well 6-1, starting with the second quarter of 2003.

Well 10-2 is the same as Dugout Well GW-10-2. Soldier Canyon will discontinue the monitoring of Well 10-2, starting with the second quarter of 2003. Dugout Canyon will continue to monitor it.

Soldier Canyon will not monitor Well 32-1, or Springs 5, 10, 23, and 24 from the second quarter of 2003 until the quarter in which production resumes at the mine. These sites are located away from previously mined areas and the Permittee has recorded sufficient baseline information.

Surface Water Monitoring

Soldier Canyon will not monitor Stream G-10 from the second quarter of 2003 until the quarter in which production resumes at the mine. This site is located away from previously mined areas and the Permittee has recorded sufficient baseline information. Oil and grease from mining operations is not likely to contaminate stream site G-10 because of its location, therefore the Permittee will not measure oil and grease there when monitoring resumes.

Findings:

Information found in the proposal is adequate to meet the minimum requirements of this section of the regulations.